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RUEHNE/AMEMBASSY NEW DELHI PRIORITY 9364  
RHEFDIA/DIA WASHDC PRIORITY  
RHHMUNA/CDR USPACOM HONOLULU HI PRIORITY  
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S E C R E T KATHMANDU 000689

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DEPT FOR SCA/INS, SCA/RA MILLER, PM/RSAT  
NSC FOR RICHELSON

E.O. 12958: DECL: 03/15/2016

TAGS: [PREL](#) [PGOV](#) [MARR](#) [NP](#)

SUBJECT: PDAS CAMP VISIT: INDIAN, UK ENVOYS ON STATE OF  
ARMY, TALKS BETWEEN PARTIES, MAOISTS

REF: A. KATHMANDU 658

[1](#)B. KATHMANDU 606 (NOTAL)

Classified By: CDA John K. Schlosser, Reasons 1.4 (b/d).

SUMMARY

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[1](#)1. (S) Visiting SCA PDAS Camp and the Ambassador alerted the Indian and British ambassadors in a March 9 meeting that the Chief of Army Staff had acknowledged that the Royal Nepalese Army's stocks of ammunition were so low as to have reached a "crisis" point. Indian Ambassador Mukherjee maintained that the RNA had sufficient supplies to move ammunition around from one sector to another and that its senior commanders were using non-government procurement channels to acquire arms and enrich themselves in the process. The Indian Ambassador disclosed that he had been in close touch with the political parties prior to their ongoing meeting with the Maoists in India, urging the parties to dictate the agenda of any cooperation with the Maoists. The British and Indian ambassadors contended the parties' 12-point understanding with the Maoists had been beneficial to the parties, as the Maoists currently were not targeting their workers in rural areas. The British ambassador said the EU would discuss Nepal the week of March 13 and was considering a "democracy challenge," urging both the King and the Maoists to abandon pursuit of a military resolution and perhaps offering the prospect of additional aid to induce a return to democracy. The three ambassadors and Camp explored the possibility of an international conference on Nepal, perhaps in London. End Summary.

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RNA Assessment of Ammo "Crisis" Disputed by Indian Ambassador...  
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[1](#)2. (S) Visiting SCA PDAS Donald Camp met March 9 with British Ambassador Keith Bloomfield and Indian Ambassador Shiv Mukherjee over lunch hosted by the Ambassador. Acting DCM John Schlosser (notetaker) also participated. PDAS Camp and the Ambassador briefed on Camp's meetings thus far, including his March 8 audience with the King and subsequent

meeting with COAS General Thapa. The Ambassador noted that this was the first time Thapa had acknowledged that the RNA's ammunition shortage had reached a "crisis" point. Bloomfield, who had not been fully aware of the very low level of ammunition for the RNA's modern rifles and the almost complete lack of helicopter-fired rockets, expressed concern.

Mukherjee disputed that there was a "crisis." He recognized that the RNA was indeed "short" on ammunition, but countered "they have enough to move stuff around" from one part of the country to another, if needed, at least for the time being. (N.B. This is consistent with our information that the RNA could move forward-deployed ammunition around for a month or two to hide the fact that central stores were depleted.)

¶3. (S) Mukherjee acknowledged, however, that the RNA had very little ammunition for training purposes and that some units were deployed with only 8 rounds out of 35 slots in the magazines of their (Indian-provided) SLR rifles. That was easy to see, Mukherjee added, because the SLR magazines are transparent. Still, the Indian ambassador said his defense attache had reported that no RNA field commanders had yet complained about a lack of ammunition.

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... who Alleges High-Level Corruption, Low Morale in  
RNA  
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¶4. (C) The RNA's principal problem, Mukherjee continued, did not concern ammunition but rather morale, which was "very low." Many units had had no leave in 18 months and, even if the soldiers were given leave, they could not return to their villages because the security situation would not permit it. The Ramban battalion had not been paid in 3 months, he alleged. Moreover, Mukherjee asserted, corruption at senior

levels of the RNA was high. The line ministries of government were taking across-the-board cuts, recorded in the budget as "miscellaneous" but ostensibly for security needs related to the insurgency. Senior officers were enriching themselves with funds set aside for procurement. They had told the Chinese, Mukherjee added, to up their invoices for small arms by 30 percent. (Note: In a separate, March 11 meeting with Charge, Mukherjee claimed that the corruption factor explained why the RNA leadership had, at least until recently, not been overly concerned about India, the UK and the U.S. cutting off arms shipments. Such transfers were government-to-government and did not allow for price padding and skimming. The RNA senior commanders, Mukherjee asserted, were content to acquire arms on the black or gray market, which was a profitable arrangement for them. End Note.)

¶5. (C) The Indian ambassador contended that the situation in the RNA was so bad, in terms of poor leadership, poor training and low morale, that foreign countries could provide five, even ten times the quantity of munitions and materiel than previously had been provided and the army still would not be able to defeat the insurgency. (Note: Amplifying this point in the March 11 meeting with Charge, Ambassador Mukherjee said his mission was in touch with 33,000 ex-Gurkhas retired from the Indian Army who were scattered around the country, and their general assessment was that arming the RNA in its current state of training and leadership was pointless. End Note.)

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Indians Advise Political Parties on Talks with  
Maoists  
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¶6. (C) Turning to the political scene, PDAS Camp and the Ambassador discussed their meetings earlier that day with party leaders G.P. Koirala and (former prime minister) Sher Bahadur Deuba (Ref. A). Mukherjee said he had been in close touch with the parties prior to their ongoing meeting with the Maoists in Delhi. (Note: Mukherjee did not admit that the meeting was taking place in India, but did not deny it either when Camp and the Ambassador spoke of it as a fact.)

Mukherjee had urged the parties to give their representatives a mandate to make their own demands of the Maoists, to require them to meet their commitments under the 12-point understanding by "testing them on the ground." The parties should push, for example, for implementation of the section of the understanding that calls for Maoist restitution of citizens' property they had seized. The parties should also form a shadow cabinet, Mukherjee continued, and should develop positions on a range of issues, thereby convincing the public that they have "a real program." The important thing, Mukherjee said, was that the parties set the agenda and that the Maoists come to them, not vice versa.

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Maoists Going Easy on the Parties?  
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17. (C) Bloomfield contended that the political parties were getting some benefits from the 12-point understanding with the Maoists. Violence against their workers in the villages was down and they could conduct their political activities more or less free of molestation. The Maoists' practice of extortion, however, still continued, as did their attacks on security forces. Mukherjee and Bloomfield both contended that the Maoists were much concerned with public opinion and were currently being careful not to harm civilians. The two ambassadors both expressed hope that the ongoing talks would result in, at the very least, a Maoist pledge not to disrupt the parties' round of non-violent protest demonstrations, planned to start April 8, and better, abandonment of the Maoists' indefinite nationwide strike (bandh) planned for April 3 and/or announcement of a renewed ceasefire.

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International Community Should Plan for  
Decommissioning, Reconstruction  
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18. (C) Bloomfield noted the enormous tasks for the international community that lay ahead, if there were to be a peaceful resolution of Nepal's crisis. The costs of reconstruction would be enormous. In addition, even during a ceasefire, to say nothing of a permanent settlement, the Maoist cadres had to eat. Extortion and thievery were their only means of keeping themselves fed in the field. The international community needed to plan ahead for a significant disarmament, demobilization and reintegration (DDR) effort in Nepal. Bloomfield pointed out there was plenty of experience in the UN and in other organizations in DDR elsewhere in the world. Bloomfield and Mukherjee agreed that the term for disarmament used with the Maoists must be "decommissioning" of weapons rather than "laying down arms," which would be interpreted by Maoist cadres as defeat. Mukherjee pointed out that negotiating the terms of decommissioning would be difficult, and that the Nepalis would need plenty of outside help, as well as in monitoring and accounting for arms, but all present agreed this was an area in which the international community had ample experience.

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EU Weighing a New Approach on Nepal; Donors  
Conference Floated  
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19. (C) Bloomfield disclosed that the EU would meet the week of March 13 on Nepal, and that one proposal being examined was to issue an EU "challenge" in support of democracy in Nepal. Such a public statement would, inter alia, urge both the King and the Maoists to declare a ceasefire and recognize the impossibility of a military solution to the country's problems. The "challenge" would also offer inducements in the form of increased development aid following a return to peace and democracy. Bloomfield mentioned the possibility of a gathering of concerned international parties, perhaps along the lines of the "Friends of Nepal" meeting held in London in 2002. The Ambassador noted there had been no follow-up to

that meeting. PDAS Camp added that the massive inducements offered several years ago by the international co-chairs in Sri Lanka, with pledges amounting to some USD 2 billion, had not yet produced the desired result in that country. That said, all present agreed there might be merit in exploring some form of donor conference aimed at fostering conditions for a return to democracy. Such a conference could take place in two stages, with the donors meeting among themselves first and then with key Nepali players. Mukherjee indicated that India might well be willing to participate in such a gathering, even if it were held outside South Asia.

Comment

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¶10. (C) Indian Ambassador Mukherjee and the international community's emphasis should be to strengthen the political parties' hand vis-a-vis the Maoists, and thereby build them up in relation to the King. He had clearly looked into the RNA's ammunition shortage and heard roughly the same information we had.

¶11. (U) Both PDAS Camp and Ambassador Moriarty have cleared this cable.  
SCHLOSSER